



# LANSLEY'S HEALTH REFORMS

## HEALTH WHITE PAPER

Tuesday 13<sup>th</sup> July 2010

The new Health Minister announced the White Paper that lays out the future of the NHS over the course of this parliament (which is now a guaranteed 5 years). He described this as a 'blueprint' for Health Policy up to the next General Election. The main aim is to cut £20bn from the Health Budget over the next 4 years. One of the main issues is the end of the current PCTs, which means that GPs will have direct control of the commissioning of services. NHS Management costs are set to reduce by 45% as a part of this reduction.

This is considered by many to be the most radical NHS White Paper to date, and is expected to be well received by the Conservative back benches. As for the Lib Dems, they had the abolition of StHAs as part of their 2010 manifesto, so this should sit well with them also.

Lansley said '*the provision of healthcare service will be led by patients and professionals and not by politicians*'.

### **The basics of the White Paper are set out below:**

#### **More power to GPs**

The most contentious issues will be the compulsory devolvement of huge commissioning powers to GP and GP Consortia and the abolition of Primary Care Trusts (PCTs). None of this was proposed by the Conservatives when they were in opposition. These decisions emerged after the General Election. There is concern that a large number of GPs do not want to take on commissioning functions, and in fact are ill-equipped to do so.

It is interesting therefore to note that the British Medical Association has welcomed today's announcement.

#### **More power to patients**

The Government is going to launch **HealthWatch England**, a new 'consumer champion', which will sit within the Care Quality Commission (CQC). The White Paper provides an ethos for structural change; the NHS must be patient led and choices must be led by those at the frontline of delivering those services to patients, i.e. clinicians. On a national level, it will be able to propose CQC investigations of poor service. This organisation will help to strengthen the patient voice and ensure that patient feedback is heard at a local level. Patients will not only have power over the choice of GP they would like to attend (regardless of where they live), but will also have power over who has sight of their patient record.

#### **Abolition of Primary Care Trusts (PCTs)**

The complete removal of PCTs, instead of simply reducing their numbers, came as a big surprise when compared to the proposals contained in the Conservative manifesto from January 2010. However, it is in keeping with current measures when you look at the plan to reduce admin costs by 45%. Some form of supervisory role is of course required, particularly in respect of GPs and other primary care services, and it is a role which Monitor (the body currently responsible for the regulation of Foundation Trusts) may find challenging.

## **Abolition of Strategic Health Authorities (SHAs)**

SHAs will be abolished as early as 2012. Their functions will be taken over by Monitor. Monitor's remit will extend to establish it as the key economic regulator in healthcare.

## **Foundation Trusts**

All NHS Trusts will become or be part of a Foundation Trust and this will be the preferred governance model for the health service. Trusts will be given more freedom to innovate to improve patient care. NHS staff will have the opportunity - where appropriate – to manage these organisations as *'the largest social enterprise sector in the world'*.

## **NHS Commissioning Board**

A review of existing quangos is due to report in the autumn but the White Paper makes provision for a number of new bodies which will help implement this new, patient led vision of the NHS. The most vital is the NHS Commissioning Board which will act to ensure quality in commissioning and be responsible for commissioning certain services, such as community pharmacy, which GPs cannot commission. It will also be responsible for increasing patient choice through helping patients manage their personal health budgets. The intention is for this body to be fully operational in April 2012. The underpinning concept is to reduce the number of quangos but those that do exist will be interlinked and more accessible to patients.

## **Value based pricing**

The White Paper confirms that the Government intends to move to value based pricing when the current Pharmaceutical Price Regulation Scheme (PPRS) runs out at the end of 2013. A reference is made to the Cancer Drugs Fund, which will operate from April 2011, but no further details are provided.

## **NICE**

In a further strengthening of its powers, NICE will be in charge of developing new quality standards for all the main pathways of care. The paper estimates that NICE will develop up to 150 new quality standards over the next five years. This will position NICE as the key quality regulator building on Lord Darzi's work on quality improvements, under the previous Government.

## **Scrapping targets**

As mentioned in the NHS Operating Framework, targets with 'no clinical justification' will be scrapped (although not as many as were discussed in Opposition). There is a concession that some targets do work but the paper is not clear on which ones and a consultation is promised on new measureables.

## **Long Term Care**

A Commission will be set up to look into long-term care from the Department of Health. This is in keeping with the move to strip away the Department's NHS functions and replace them with longer term social care objectives.

## **Consultation**

A number of consultation papers will be published in the *near future*, getting stakeholder views on policies including; commissioning for patients, freeing providers and economic regulation, the NHS outcomes framework, the framework for transition. This process will be an important part of the transition to the new system as will the proper management of the financial risk.

## Legislation

Primary legislation will be required to make many of the proposed changes in the White Paper. The Health Bill announced in the Queen's Speech provides for many of these reforms and is due to be introduced in late 2010. The main legislative reforms in the Bill will include: Making improvement in outcomes central to the NHS; Reforming NICE; creating the independent NHS Commissioning Board; creating a framework for a comprehensive system of GP consortia; establishing HealthWatch; reforming the Foundation Trust model; developing Monitor's role and reducing the number of arms length bodies in health. The Department of Health is taking comments on implementing all the changes in the Health Bill, which must be submitted by 5 October 2010. We can therefore deduce that the Health Bill will not be laid before Parliament before this date.

The Health Bill will also support the creation of a new Public Health Service, which will streamline existing health improvement and protection bodies. Another White Paper, this time on public health will be published later this year. In addition, the public health budget will be ring-fenced and local Directors of Public Health will be responsible for health improvement funds allocated according to local need.

**Sources:** white paper and Mr Lansleys press release.